



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

NOV 25 2014

Mr. Robert M. Worsley
Manager
Snowflake White Mountain Power, LLC
3418 North Val Vista Drive
Mesa, Arizona 85213

7011 0470 0002 9198 4263

Dear Mr. Worsley:

Snowflake White Mountain Power, LLC ("Snowflake") owns and/or operates the biomass-fired electric generating facility at Arizona Highway 277 Spur, approximately 14 miles west of Snowflake, Navajo County, Arizona (the "Facility"). The Facility is under the primary jurisdiction of the Arizona Department of Environmental Quality ("ADEQ"). For the purpose of determining whether the Facility is in compliance with its ADEQ permit, Prevention of Significant Deterioration of Air Quality ("PSD") requirements, federal New Source Performance Standards ("NSPS") requirements, federal National Emission Standards for Hazardous Air Pollutants ("NESHAP") requirements, and other requirements of the Clean Air Act, 42 U.S.C. §§ 7401-7671q (the "Act"), Snowflake is hereby required, under authority of Section 114 of the Act, 42 U.S.C. § 7414, to submit the following information and documents to the U.S. Environmental Protection Agency, Region 9 ("EPA") for the identified Facility:

1. Identify the following dates:
 - a. Initial construction date of the Facility;
 - b. Initial date that the Facility combusted fuel;
 - c. Initial date of commercial operation of the Facility, i.e. production and sale of electrical power;
 - d. Date of your purchase or acquisition of the Facility;
 - e. Date that the Facility ceased operation for any period that lasted a year or more (and identify the length of the time that the Facility was not producing power);
 - f. If the Facility is not currently operating, the date that it ceased operation; and
 - g. If the Facility is not currently operating, the expected date of recommencement of commercial operations.
2. Provide a copy of the Facility's current power purchase agreement.
3. Provide a schematic diagram of the Facility that identifies each potential emission source (i.e. that emits any particulate or gaseous air pollutant), emission control device, and process step. Emission sources, or emission units, include, but are not limited to, the biomass-fired boiler, any auxiliary boilers, fuel and ash handling systems, and internal combustion engines.
4. For each process unit and/or process step at the Facility that has the potential to emit any air pollutant, including but not limited to sulfur dioxide, nitrogen oxides, particulate matter, carbon monoxide, and volatile organic compounds, provide a description of how the emission unit or process step functions, and identify operational parameters including, but not limited to, normal and maximum processing temperatures and normal and maximum feed rates. For any process unit and/or process step that you

conclude does not have the potential to emit any pollutants, please provide a copy of any documents upon which you relied for that conclusion.

5. Describe the following in regard to how emissions are monitored at the Facility:
 - a. Identify each pollutant that is monitored;
 - b. For each pollutant monitored, describe if it is monitored by a continuous emission monitoring system ("CEMS") or continuous opacity monitoring system ("COMS"); and
 - c. For each pollutant monitored, describe if it is monitored by periodic source tests, and if so, identify each source test performed in the last 10 years by date and pollutant measured.
6. Provide copies of the following existing records for the emission control device(s) at the Facility:
 - a. The make, model number, and description/specification of each control device;
 - b. Any biomass-boiler bed operating temperature measurements; and
 - c. The amount of emission reductions, including total reductions and control efficiency, at each process emission point from the use of each control device.
7. Pertaining to the permitting status of the Facility, provide copies of the following:
 - a. Each current air permit;
 - b. Each/all permit application(s) and supporting documents for each air permit identified in response to Request #7.a. or for each air permit that the Facility is currently seeking, whether or not such a permit has been issued or proposed; and
 - c. Any District analysis or correspondence pertaining to each permit and/or each permit application identified in response to Requests #7.a. and 7.b.
8. For each biomass-fired boiler at the Facility, provide:
 - a. The unit identification number;
 - b. The date commercial operation began;
 - c. The original design capacity (megawatts gross, MWg/net generating capacity);
 - d. Current gross and net generating capacity (MWg/MWn);
 - e. The original design and current maximum heat input capacity (MMBTU/hr);
 - f. The original design and current steam flow output capacity (lbs steam/hr);
 - g. The current operating status of the boiler;
 - h. The scheduled or planned boiler retirement date;
 - i. Current fuel(s) being fired;
 - j. Type of particulate matter emissions control and year installed;
 - k. Type of sulfur dioxide emissions control and year installed;
 - l. Type of nitrogen oxides emission controls and year installed;
 - m. Type of carbon monoxide emission controls and year installed; and
 - n. Any anticipated emission controls and estimated dates of installation.
9. Provide in chart form a list of each and every capital projects, with a cost of more than \$50,000, for the Facility for which:
 - a. Began actual construction after January 1, 2000; and
 - b. Those which are approved or expected to begin construction in the next 36 months.

10. For each project identified in response to Request #9, include the following information in a list format:

- a. The work order number for the project;
- b. Project description;
- c. Authorized or projected expenditure;
- d. Actual expenditure;
- e. Date of approval;
- f. Project completion date or expected completion date;
- g. In-service date;
- h. Each original equipment manufacturer ("OEM"), equipment suppliers, or contractors that will provide or have provided engineering, fabrication, and/or installation services for the project; and
- i. State whether the capital project was associated with a life extension project, capacity increase, efficiency enhancement, or reliability improvement.

11. In addition, for each project identified in response to Request #9, also provide copies of the following documents, records or information:

- a. All capital appropriation requests and/or approvals for such expenditures, regardless of format or title of such request and/or approval;
- b. All emission calculations performed before and after the capital project was completed;
- c. All correspondence with the District or any regulatory agency regarding the potential applicability or exemption of any provision of the Clean Air Act or the applicable State Implementation Plan ("SIP"), including, but not limited to, New Source Review ("NSR")/PSD, NSPS, NESHAP, and opacity requirements;
- d. All engineering analyses, correspondence, memoranda, telephone discussion summaries, and any other communications, including, but not limited to, Board of Directors reports, meeting minutes, and annual reports, that describe the original as-built performance and performance for the period immediately before and immediately following completion of each capital project, the benefits, provide justification for, or otherwise explain the nature, extent, cost, and frequency of each capital project. This request includes communications both before and after the capital project was undertaken;
- e. All associated purchase orders;
- f. All contracts relating to purchase of equipment and on-site installation or construction for the project;
- g. Any permits received for the project; and
- h. Documents related to the maximum continuous rating of the boiler, both before and after the project was completed, including, but not limited to, documentation of changes in:
 - i. Unit capacity factor;
 - ii. Unit availability;
 - iii. Boiler heat input;
 - iv. Steam flow rate;
 - v. Steam temperature;
 - vi. Steam pressure;
 - vii. Unit heat rate (BTU/MWh); and
 - viii. Unit efficiency.

The information (other than the documents to be provided) shall be provided electronic chart format (Microsoft Excel 2007 compatible).

12. If any projects are identified in response to Request #9, please provide the following information in electronic chart format (Microsoft Excel 2007 compatible) and by date, starting from ten (10) years before the earliest project identified in response to Request #9 commenced until the date of this Request:
 - a. Provide each and every emissions test and/or emissions study performed at the Facility, identify the pollutants being tested for, summarize the overall results of the test and/or study, and provide copies of the results section and the executive summary from each report pertaining to each of the emission tests and/or emission studies; and
 - b. For the entire Facility, provide daily and monthly total and lb/MMBTU mass emissions for NO_x, SO₂, CO, PM, and PM₁₀, and average opacity, including all supporting calculations, log sheets, continuous emissions and opacity monitoring system data, and measurements used to determine emissions. If spreadsheets are used to calculate emissions, provide a formula for each column in the spreadsheet.
13. In chart form, identify and provide monthly quantities of each type of fuel burned at the Facility since January 1, 2010.
14. For the Facility, provide copies of all documents, including reports, correspondence, memoranda, and phone discussion summaries, related to PSD, NSR, NSPS, or NESHAP applicability for any construction or modification undertaken between January 1, 2000, and the date of this Request.
15. Provide copies of all documents referencing or describing the use of sodium bicarbonate, soda ash, or lime products to treat any pollutant in the combustion emissions from the boiler between January 1, 2010 and the date of this Request.
16. Provide copies of all test reports for stack tests for hazardous air pollutants, including but not limited to hydrogen chloride, performed between January 1, 2010 and the date of this Request.
17. Provide in an electronic spreadsheet file (Microsoft Excel 2007 compatible) all COMS data, in 6-minute averages, collected for the main stack between January 1, 2010 and the date of this Request.
18. Identify in an electronic spreadsheet file (Microsoft Excel 2007 compatible) all time periods (including their dates between January 1, 2010 and the date of this Request) when any of the baghouses on the main stack was non-operational, along with a description of the reason why it was not operating.
19. Pertaining to the compliance status of the Facility, provide copies of any of the following documents issued by ADEQ since January 1, 2010:
 - a. Major or Minor Deficiency;
 - b. Significant Non-Compliance (SNC);
 - c. Initiative;
 - d. Non-Reporting;
 - e. Public Notice;
 - f. Permit Exceedance;
 - g. Notices of Opportunity to Correct (NOC);
 - h. Notices of Violation (NOV);
 - i. Administrative Order; or
 - j. Civil Complaint.
20. Provide a list of all time periods when the boiler was non-operational, along with the reason it was not operating between January 1, 2010 and the date of this Request.

21. Provide copies of all documents, including correspondences, that reference the stack collapse that took place on March 20, 2013, including but not limited to its impact on monitoring and/or compliance with applicable requirements.
22. For the Facility, by complete corporate or individual name, provide a list of all owners and operators, including all previous owners and operators, since initial construction of the Facility to the present, including the percentage ownership for each owner. Provide the address, phone number, and state(s) and/or country of incorporation for each such owner.

Snowflake shall submit its response to this request postmarked no later than forty-five (45) calendar days after receipt of this letter. Snowflake must provide copies of all responsive documents as PDF files with optical character recognition (i.e., searchable). Snowflake must provide all data in electronic chart format (Microsoft Excel 2007 compatible) that allows for data to be used in calculations. The documents shall be chronologically organized by each information request identified above. If Snowflake has no documents responsive to an individual information request, Snowflake must so state in its written response. Snowflake's response must be signed by a responsible corporate official of Snowflake. Snowflake must submit responsive documents on a disk (2 copies as CD or DVD media) along with a cover letter that includes Snowflake's written responses to the requests via certified mail with return receipt requested to the following address:

Ms. Kathleen H. Johnson
Director, Enforcement Division (ENF-1)
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105
Attn: Andrew Chew (ENF-2-1)

Please be advised that under Section 113(a) of the Act, failure to provide the information required by this letter may result in an order requiring compliance, and order assessing an administrative penalty, or a civil action for appropriate relief. In addition, Section 113(c) of the Act provides for criminal penalties for knowingly making any false statements or omission in any response required under the Act. EPA may also seek criminal penalties from any person who knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of EPA or in relation to or contemplation of any such matter or case. See 18 U.S.C. § 1519. The information provided by you may be used by the United States in administrative, civil, or criminal proceedings.

You may, if you desire, assert a business confidentiality claim on behalf of Snowflake covering part or all of the information provided to EPA in response to this letter. Any such claim for confidentiality must conform to the requirements set forth in 40 C.F.R. § 2.203(b). You are advised that certain information may be made available to the public pursuant to 42 U.S.C. § 7414(c) and 40 C.F.R. § 2.301, notwithstanding a claim that such information is entitled to confidential treatment. If no claim of confidentiality is received with your reply, the information may be made available to the public without notice to Snowflake.

If Snowflake seeks to withhold any documents based on a claim of attorney-client communications privilege or the attorney work product doctrine in its response to this information request, provide a privilege log for each document containing the following information:

1. The date, author(s), every individual to whom the document was originally sent, every individual who subsequently acquired the document, the purpose for which the document was sent to or obtained by those individuals, and the employment titles of the authors and recipients;

2. The subject matter of the document;
3. The privilege claimed for the document and all facts supporting the claim of privilege;
4. The primary purpose(s), including any business purposes, for which the document was made;
5. The question(s) in EPA's information request that the document is responsive to; and
6. All facts contained in the document that are responsive to a question in EPA's 114 letter.

This information request is not subject to review by the Office of Management and Budget under the Paperwork Reduction Act because it is not the "collection of information" within the meaning of 44 U.S.C. §§ 3502(3) and 3518(c)(1), since it is being directed to fewer than ten persons or entities and is being issued during the conduct of an investigation involving the EPA against specific individuals or entities. See also 5 C.F.R. §§ 1320.3(c) and 1320.4.

We would also like to take this opportunity to advise you that Snowflake may qualify as a "small business" under the Small Business Regulatory Enforcement and Fairness Act ("SBREFA"). Please review the enclosed SBREFA Information Sheet, which is designed to provide information on compliance assistance to entities that may qualify as small businesses as well as to inform them of their right to comment to the SBREFA Ombudsman concerning EPA's enforcement activities. Please be aware that SBREFA does not eliminate Snowflake's responsibility to respond in a timely fashion to any complaint or information request that EPA may issue or other enforcement action that EPA may take, nor does SBREFA create any new rights or defenses under the law other than the right to comment to the SBREFA Ombudsman.

If you anticipate being unable to respond fully to this request within the time period specified, you must submit a sworn declaration by a responsible corporate official within ten (10) calendar days after your receipt of this letter, specifying what information will be provided within the time specified, describing what efforts have been/are being made to obtain other responsive information and providing a detailed schedule of when such other responsive information can be provided. Upon receipt and based upon such declaration, EPA may extend the time in which responsive information must be provided. Also, please contact us if you determine that a full response to a particular request would require an extremely large amount of documents to be provided in response. Based upon such notification, EPA may modify the method of production or scope of documents required to be produced.

If you have any questions regarding this request, please contact Andrew Chew of my staff at (415) 947-4197, or have your attorney contact Ivan Lieben of the Office of Regional Counsel at (415) 972-3914. Thank you for your cooperation in this matter.

Sincerely,



Kathleen H. Johnson
Director
Enforcement Division

Enclosure

cc: Mr. Eric Massey, Director
Air Quality Division, ADEQ

U.S. EPA Small Business Resources Information Sheet

The United States Environmental Protection Agency provides an array of resources, including workshops, training sessions, hotlines, websites and guides, to help small businesses understand and comply with federal and state environmental laws. In addition to helping small businesses understand their environmental obligations and improve compliance, these resources will also help such businesses find cost-effective ways to comply through pollution prevention techniques and innovative technologies.

EPA's Small Business Websites

Small Business Environmental Homepage - www.smallbiz-enviroweb.org

Small Business Gateway - www.epa.gov/smallbusiness

EPA's Small Business Ombudsman - www.epa.gov/sbo or 1-800-368-5888

EPA's Compliance Assistance Homepage

[www.epa.gov/compliance/assistance/
business.html](http://www.epa.gov/compliance/assistance/business.html)

This page is a gateway to industry and statute-specific environmental resources, from extensive web-based information to hotlines and compliance assistance specialists.

EPA's Compliance Assistance Centers

www.assistancecenters.net

EPA's Compliance Assistance Centers provide information targeted to industries with many small businesses. They were developed in partnership with industry, universities and other federal and state agencies.

Agriculture

www.epa.gov/agriculture/

Automotive Recycling

www.ecarcenter.org

Automotive Service and Repair

www.ccar-greenlink.org or 1-888-GRN-LINK

Chemical Manufacturing

www.chemalliance.org

Construction

www.cicacenter.org or 1-734-995-4911

Education

www.campuserc.org

Food Processing

www.fpeac.org

Healthcare

www.hercenter.org

Local Government

www.lgean.org

Metal Finishing

www.nmfrc.org

Paints and Coatings

www.paintcenter.org

Printed Wiring Board Manufacturing

www.pwbrc.org

Printing

www.pneac.org

Ports

www.portcompliance.org

U.S. Border Compliance and Import/Export Issues

www.bordercenter.org

Hotlines, Helplines and Clearinghouses

www.epa.gov/epahome/hotline.htm

EPA sponsors many free hotlines and clearinghouses that provide convenient assistance regarding environmental requirements. Some examples are:

Antimicrobial Information Hotline

info-antimicrobial@epa.gov or
1-703-308-6411

Clean Air Technology Center (CATC) Info-line

www.epa.gov/ttn/catc or 1-919-541-0800

Emergency Planning and Community Right-To-Know Act

[www.epa.gov/superfund/resources/
infocenter/epcra.htm](http://www.epa.gov/superfund/resources/infocenter/epcra.htm) or 1-800-424-9346

EPA Imported Vehicles and Engines Public Helpline

www.epa.gov/otaq/imports or
734-214-4100

National Pesticide Information Center

www.npic.orst.edu/ or 1-800-858-7378

National Response Center Hotline -

to report oil and hazardous substance spills
www.nrc.uscg.mil or 1-800-424-8802

Pollution Prevention Information Clearinghouse (PPIC)

www.epa.gov/opptintr/ppic or
1-202-566-0799

Safe Drinking Water Hotline

[www.epa.gov/safewater/hotline/index.
html](http://www.epa.gov/safewater/hotline/index.html) or 1-800-426-4791

Stratospheric Ozone Protection Hotline

www.epa.gov/ozone or 1-800-296-1996

Toxic Substances Control Act (TSCA) Hotline

tsca-hotline@epa.gov or 1-202-554-1404

Wetlands Information Helpline

www.epa.gov/owow/wetlands/wetline.html or 1-800-832-7828

State and Tribal Web-Based Resources

State Resource Locators

www.envcap.org/statetools

The Locators provide state-specific contacts, regulations and resources covering the major environmental laws.

State Small Business Environmental Assistance Programs (SBEAPs)

www.smallbiz-enviroweb.org

State SBEAPs help small businesses and assistance providers understand environmental requirements and sustainable business practices through workshops, trainings and site visits. The website is a central point for sharing resources between EPA and states.

EPA's Tribal Compliance Assistance Center

www.epa.gov/tribalcompliance/index.html

The Center provides material to Tribes on environmental stewardship and regulations that might apply to tribal government operations.

EPA's Tribal Portal

www.epa.gov/tribalportal/

The Portal helps users locate tribal-related information within EPA and other federal agencies.

EPA Compliance Incentives

EPA provides incentives for environmental compliance. By participating in compliance assistance programs or voluntarily disclosing and promptly correcting violations before an enforcement action has been initiated, businesses may be eligible for penalty waivers or reductions. EPA has two such policies that may apply to small businesses:

EPA's Small Business Compliance Policy

www.epa.gov/compliance/incentives/smallbusiness/index.html

This Policy offers small businesses special incentives to come into compliance voluntarily.

EPA's Audit Policy

www.epa.gov/compliance/incentives/auditing/auditpolicy.html

The Policy provides incentives to all businesses that voluntarily discover, promptly disclose and expeditiously correct their noncompliance.

Commenting on Federal Enforcement Actions and Compliance Activities

The Small Business Regulatory Enforcement Fairness Act (SBREFA) established a SBREFA Ombudsman and 10 Regional Fairness Boards to receive comments from small businesses about federal agency enforcement actions. If you believe that you fall within the Small Business Administration's definition of a small business (based on your North American Industry Classification System designation, number of employees or annual receipts, as defined at 13 C.F.R. 121.201; in most cases, this means a business with 500 or fewer employees), and wish to comment on federal enforcement and compliance activities, call the SBREFA Ombudsman's toll-free number at 1-888-REG-FAIR (1-888-734-3247), or go to their website at www.sba.gov/ombudsman.

Every small business that is the subject of an enforcement or compliance action is entitled to comment on the Agency's actions without fear of retaliation. EPA employees are prohibited from using enforcement or any other means of retaliation against any member of the regulated community in response to comments made under SBREFA.

Your Duty to Comply

If you receive compliance assistance or submit a comment to the SBREFA Ombudsman or Regional Fairness Boards, you still have the duty to comply with the law, including providing timely responses to EPA information requests, administrative or civil complaints, other enforcement actions or communications. The assistance information and comment processes do not give you any new rights or defenses in any enforcement action. These processes also do not affect EPA's obligation to protect public health or the environment under any of the environmental statutes it enforces, including the right to take emergency remedial or emergency response actions when appropriate. Those decisions will be based on the facts in each situation. The SBREFA Ombudsman and Fairness Boards do not participate in resolving EPA's enforcement actions. Also, remember that to preserve your rights, you need to comply with all rules governing the enforcement process.

EPA is disseminating this information to you without making a determination that your business or organization is a small business as defined by Section 222 of the Small Business Regulatory Enforcement Fairness Act or related provisions.